



THE SENIORS COALITION

Working for a Responsible America

Testimony of Mary M. Martin, Chairman
Presented to
Michigan House Committee on Energy and Technology

Mr. Chairman; Members of the Committee:

I submit this written testimony today on behalf of the 128,622 members of The Seniors Coalition (TSC) from the state of Michigan (among more than 4 million nationwide) to address the E-911 implementation plan currently under consideration by this Committee. TSC is a non-profit, non-partisan senior advocacy and education organization dedicated to ensuring the well-being and retirement security of seniors during their "golden years."

Make no mistake, regardless of our political agendas or ideologies, we are all here for one reason, to ensure the safety and security of every Michigan citizen by enhancing the ability of our emergency first responders to provide quick and effective assistance to those in need.

The E-911 program is a remarkable technology that will allow our emergency responders to accurately locate individuals calling for assistance using a wireless telephone. We fully support the E-911 system and know it to be of critical value to everyone – including seniors.

Senior citizens are a highly at-risk population when it comes to the need for emergency services. From suffering health emergencies to being the increasingly targeted victims of criminal acts, seniors are deeply concerned about their personal safety. One of our biggest fears is to be stranded away from home and missing a bus or a ride and not having the ability to call someone for help. Recently, seniors have found one affordable and effective method of ensuring that they are not alone – pre-paid wireless technology.

For economically fragile senior citizens living on a fixed income, pre-paid wireless service has allowed them to enjoy the assurance that help is only a phone call away at any time, without the high monthly costs or long-term obligations with a minimum number of minutes to be used typically required in a cellular term service contract. Seniors may, for example, purchase a 30 minute pre-paid plan and have this allotment last for six months or longer without having to pay monthly fees – a much different prospect than the typical monthly cellular service plan, and more affordable for seniors.

It has been suggested that in order to enhance the E-911 program, the best method of finding the financial resources to invest is to establish a flat monthly surcharge on every wireless phone line – regardless of the type of service being purchased, much like an assessment against a typical land line consumers use in their homes.

TSC believes strongly that consideration must be given by this Committee to the differences in the pre-paid wireless market, and specifically the access pre-paid wireless products provide to seniors and low-income consumers for essential safety reasons. If

the price is increased without regard for the price-sensitive senior and low-income users, it will deny many the ability to access this safety buffer they rely upon. In a perverse sense, the regulatory scheme implemented to fund the E-911 infrastructure may actually erode the safety of the seniors who the system was designed, at least in part, to add an additional lay of safety for because the surcharges could price them out of their ability to afford this otherwise valuable service.

For the average middle-class cellular term service plan user, adding these charges are easily absorbed in expense accounts or family budgets. However, when it comes to seniors who stretch their monthly Social Security checks to get by each month, and who have purchased a pre-paid wireless plan to have the ability to call for help whenever it is needed, we are talking about the proverbial "straw" that will break the camel's back.

Any flat surcharge, fee or tax assessed on the wireless line is a discriminatory and regressive tax against seniors who purchase pre-paid plans. A per-month charge on every line would price this critical service out of the reach of seniors living on fixed incomes, reduce the number of carriers in Michigan and significantly reduce competition in the pre-paid wireless marketplace – hurting all low-income consumers (especially seniors).

Rather than levying a monthly tax on pre-paid wireless consumers, I strongly urge your support for the surcharge to be assessed at the retail point-of-sale and as a percentage of the purchase price. This would ensure that the assessment of pre-paid wireless consumers is fair and equitable when compared with their counterpart term-service consumers. Using this type of system, the retail outlets can effectively integrate the collection methods for the surcharge without any great difficulty. The consumer sales traffic increase from offering this product likely more than offsets the costs of resources to add the additional software adjustments needed to collect the fees.

A senior who purchases a pre-paid 30 minute service plan and uses those 30 minutes of service over the course of six months or longer should NOT be held to the same standard as a consumer who purchases a 1500 minute monthly term service contract. Yet, should a flat fee be implemented, these two individuals would be paying the exact same surcharge per month.

Michigan seniors want to be safe. They want Michigan to be a safe and secure state, and they want Michigan's finest and bravest to have the tools necessary to ensure the safety and security of all Michigan's seniors. The method of assembling the resources to accomplish these tasks, however, must be fair and equitable.

I call upon the members of this committee to take action that will ensure the safety of all Michigan seniors by protecting their access to affordable pre-paid wireless service. Ensure that any surcharge levied to enhance the E-911 program is fair and equitable for pre-paid wireless consumers, and assessed at the point-of-sale.

Thank you.